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News Release

NEWPORT BEACH MAN ARRESTED FOR SELLING COUNTERFEIT DESIGNER LEATHER GOODS

SANTA ANA, Calif. – An Orange County man faces federal charges for illegally selling millions of dollars worth of counterfeit designer leather goods out of his home in an upscale Newport Beach neighborhood.

Terry Smith, 56, was taken into custody this morning by U.S. Immigration and Customs Enforcement (ICE) agents following a search of his residence in Newport Coast. There, ICE agents seized counterfeit designer handbags, wallets, belts, and other leather goods bearing copies of trademarks belonging to companies including Louis Vuitton, Prada, and Gucci.

At Smith's residence, ICE agents found boxes of counterfeit merchandise displayed on shelves, tables, and countertops primarily in the kitchen and garage, all of which were seized.

"The profits from the sale of counterfeit merchandise worldwide often go to support other types of criminal enterprise," said Loraine Brown, special agent-in-charge for ICE investigations in Los Angeles. "ICE is committed to working aggressively with private industry to dismantle these schemes."

Smith advertised his "designer goods sales" in community flyers and penny savers. He told prospective buyers the merchandise was authentic and claimed he could offer it at discounted prices because the items were factory seconds, irregulars, and overruns. Neighbors reported a constant stream of traffic to Smith's home every day of the week. Smith represented to ICE agents that he often made more than \$10,000 a week, working out of his home during the week and traveling to shows on weekends.

Smith made his initial appearance in federal court in Santa Ana this afternoon and was released on bond. He is charged with trafficking in trademarked goods. If convicted of the violations, he faces a maximum penalty of 10 years in prison and a \$2 million fine. Smith's preliminary hearing is scheduled for January 5, 2005.

ICE

U.S. Immigration and Customs Enforcement is the largest investigative arm of the Department of Homeland Security.

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